



***Enduring Resources***

475 17<sup>th</sup> Street Suite 1500 Denver Colorado 80202  
Telephone 303 573-1222 Fax 303 573 0461

June 19, 2006

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P. O. Box 145801  
Salt Lake City, Utah 84114-5801

Attn.: Ms. Diana Whitney

RE: Enduring Resources, LLC  
Bitter Creek 12-23-24-24  
SE-SW 24-12S-23E  
Federal Lease: UTU-77530  
Uintah County, Utah

Dear Ms. Whitney:

Enclosed is one original application to drill concerning the above-referenced proposed well.

Enduring Resources, LLC is requesting the Utah Division of Oil, Gas and Mining to hold this application and all future information as confidential.

If any questions arise or additional information is required, please contact me at 303-350-5114.

Very truly yours,

**ENDURING RESOURCES, LLC**

Alvin R. (Al) Arlian  
Landman-Regulatory Specialist

ara  
Enclosures: As stated

**RECEIVED**  
**JUN 26 2006**

DIV. OF OIL, GAS & MINING

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>				5. MINERAL LEASE NO: <b>UTU-77530</b>	6. SURFACE: <b>Federal</b>
1A. TYPE OF WORK: <b>DRILL</b> <input checked="" type="checkbox"/> <b>REENTER</b> <input type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: <b>OIL</b> <input type="checkbox"/> <b>GAS</b> <input checked="" type="checkbox"/> <b>OTHER</b> _____ <b>SINGLE ZONE</b> <input type="checkbox"/> <b>MULTIPLE ZONE</b> <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: <b>Enduring Resources, LLC</b>				9. WELL NAME and NUMBER: <b>Bitter Creek 12-23-24-24</b>	
3. ADDRESS OF OPERATOR: <b>475 17th St., Ste 1500</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80220</b>			PHONE NUMBER: <b>(303) 350-5114</b>	10. FIELD AND POOL, OR WILDCAT: <b>Unassigned 12-23-24-24</b>	
4. LOCATION OF WELL (FOOTAGES)  AT SURFACE: <b>640' FSL - 1932' FWL</b> <i>6461887</i> <i>39.111111</i> AT PROPOSED PRODUCING ZONE: <b>Same</b> <i>4401587Y</i> <i>10.29.600</i>				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SESW 24 12S 23E</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>68.4 miles South of Vernal, UT</b>				12. COUNTY: <b>Uintah</b>	13. STATE: <b>UTAH</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>640'</b>		16. NUMBER OF ACRES IN LEASE: <b>640</b>		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>40 acres</b>	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>1000' +</b>		19. PROPOSED DEPTH: <b>6,300</b>		20. BOND DESCRIPTION: <b>RLB0008031</b>	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>6329'    RT-KB</b>		22. APPROXIMATE DATE WORK WILL START: <b>8/1/2006</b>		23. ESTIMATED DURATION: <b>20 days</b>	

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
20"	14"	line pipe		40	3 yards	Ready Mix	
11"	8-5/8"	J-55	24#	2,000	Premium Lead	183 sxs	3.50    11.1
					Premium Tail	183 sxs	1.15    15.8
7-7/8"	4-1/2"	N-80	11.6#	6,300	Class G	18 sxs	3.3    11.0
					50/50 Poz Class G	804 sxs	1.56    14.3

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER
--	--

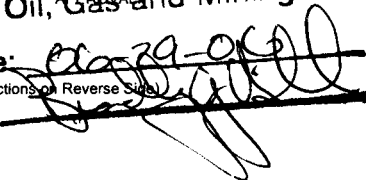
NAME (PLEASE PRINT) Alvin R. (Al) Arlian    TITLE Landman - Regulatory Specialist

SIGNATURE     DATE 6/19/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38334

**Approved by the**  
**Utah Division of**  
**Oil, Gas and Mining**

Date: 6-29-06  
(See Instructions on Reverse Side)  
By: 

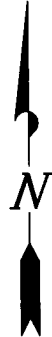
**RECEIVED**  
**JUN 26 2006**

DIV. OF OIL, GAS & MINING

# T12S, R23E, S.L.B.&M.

## ENDURING RESOURCES

WELL LOCATION, BITTER CREEK  
12-23-24-24, LOCATED AS SHOWN IN  
THE SE 1/4 SW 1/4 OF SECTION 24,  
T12S, R23E, S.L.B.&M. UTAH COUNTY,  
UTAH.



### NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.

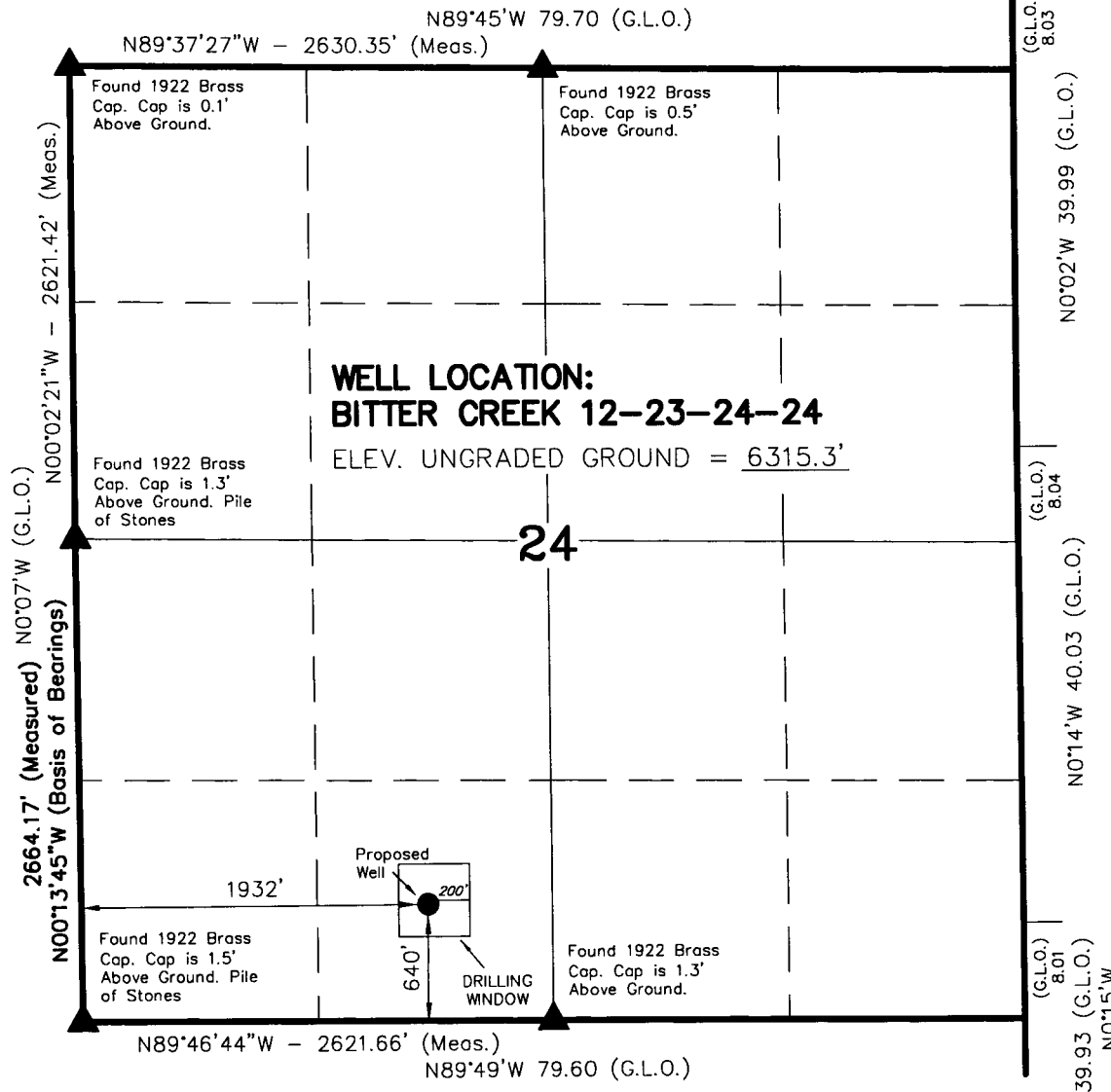
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS  
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS  
MADE BY ME OR UNDER MY SUPERVISION AND THAT  
THE SAME ARE TRUE AND CORRECT TO THE BEST OF  
MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR  
No. 362251  
KOLBY R. KAY  
STATE OF UTAH

## TIMBERLINE LAND SURVEYING, INC.

38 WEST 100 NORTH. - VERNAL, UTAH 84078  
(435) 789-1365

DATE SURVEYED: 04-04-06	SURVEYED BY: K.R.K.	SHEET <b>2</b> OF 10
DATE DRAWN: 04-06-06	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'	Date Last Revised:	



▲ = SECTION CORNERS LOCATED  
BASIS OF ELEVATION IS BENCH MARK 85 EAM 1965  
LOCATED IN THE NE 1/4 OF SECTION 14, T12S,  
R23E, S.L.B.&M. THE ELEVATION OF THIS BENCH  
MARK IS SHOWN ON THE ARCHY BENCH SE 7.5 MIN.  
QUADRANGLE AS BEING 6104'.

**BITTER CREEK 12-23-24-24**  
(Proposed Well Head)  
NAD 83 Autonomous  
LATITUDE = 39° 45' 12.76"  
LONGITUDE = 109° 17' 38.67"

## **SELF-CERTIFICATION STATEMENT**

The following self-certification statement is provided per federal requirements dated June 15, 1988.

Please be advised that Enduring Resources, LLC is considered to be the operator of the following well.

### **Bitter Creek 12-23-24-24**

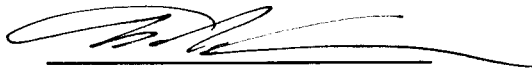
Surface Location: SE-SW Sec. 24-12S-23E

640' FSL – 1932' FWL

Lease Serial No.: UTU-77530

Uintah County, Utah

Enduring Resources, LLC is responsible under the terms and conditions of the lease for the operations conducted upon leased lands. Bond coverage is provided by UTB000173.



Alvin R. (Al) Arlian  
Regulatory Specialist  
Enduring Resources, LLC  
475 17th Street, Suite 1500  
Denver, CO 80202  
(303) 350-5114

June 19, 2006

Date

**Enduring Resources, LLC  
Bitter Creek 12-23-24-24  
SE-SW 24-12S-23E  
Uintah County, Utah  
Federal Lease: UTU-77530**

**ONSHORE ORDER 1 - DRILLING PLAN**

**1. Estimated Tops of Geological Markers:**

Formation	Depth (K.B.)
Uinta	Surface
Green River	19
Wasatch	2294
Mesaverde	3901

**2. Estimated Depths of Anticipated Water, Oil, Gas or Other Minerals:**

Substance	Formation	Depth (K.B.)
	KB-Uinta Elevation: 6329'	
Oil / Gas	Green River	19
Oil /Gas	Wasatch	2294
Oil /Gas	Mesaverde	3901
	Estimated TD	6300

A 11" hole will be drilled to approximately 2000 feet. The depth will be determined by the depth that the Birds Nest zone is encountered. The hole will be drilled 400 feet beyond the top of the Birds Nest zone and surface casing will be set.

**3. Pressure Control Equipment: (3000 psi schematic attached)**

- A. Type: Eleven (11) inch double gate hydraulic BOP with eleven (11) inch annular preventer on 3,000 psi casinghead, with 3,000 psi choke manifold equipped per the attached diagram. BOPE as specified in *Onshore Oil & Gas Order Number 2*. A PVT, stroke counter and flow sensor will be installed to check for flow and monitor pit volume.
- B. Pressure Rating: 3,000 psi BOPE
- C. Kelly will be equipped with upper and lower Kelly valves.
- D. Testing Procedure: Annular Preventer

At a minimum, the annular preventer will be pressure tested to 50% of the stack rated working pressure for a period of ten (10) minutes or until provisions of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the annular preventer is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the annular preventer will be functionally operated at least weekly.

#### Blow-Out Preventer

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day. All BOP drills and tests will be recorded in the IADC driller's log.

#### E. Miscellaneous Information:

The blowout preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of *Onshore Oil & Gas Order Number 2*.

#### 4. Proposed Casing & Cementing Program:

##### A. Casing Program: All New

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Depth Set (MD)
20"	14" O.D.				40' (GL)
11"	8-5/8"	24#	J-55	ST&C	0 – 2,016' (KB) est.
7-7/8"	4-1/2"	11.6#	N-80	LT&C	0 – 6300' (KB)

The surface casing will have guide shoe, 1 joint, insert float collar. Centralize the shoe joint with bowspring centralizers in the middle and top of the joint and the next 16 joints with bowspring centralizers on every other collar (8 centralizers total). Thread lock guide shoe.

Casing string(s) will be pressure tested to 0.22 psi/foot of casing string length or 1500 psi, whichever is greater (not to exceed 70% of the internal yield strength of the casing), after cementing and prior to drilling out from under the casing shoe.

**B. Casing Design Parameters:**

Depth (MD)	Casing	Collapse(psi)/SF	Burst (psi)/SF	Tension(mlbs)/SF
40' (GL)	14" OD			
2016' (KB)	8-5/8", 24#/ft, J55, STC	1370/1.52(a)	2950/3.28(b)	244/5.81(c)
6300' (KB)	4-1/2", 11.6#/ft, N-80, LTC	6350/1.94(d)	7780/2.58 (e)	2233.55(f)

- (a.) based on full evacuation of pipe with 8.6 ppg fluid on annulus
- (b.) based on 8.6 ppg gradient with no fluid on annulus
- (c.) based on casing string weight in 8.6 ppg mud
- (d.) based on full evacuation of pipe with 10.0 ppg fluid on annulus
- (e.) based on 9.2 ppg gradient, gas to surface, with no fluid on annulus, no gas gradient
- (f.) based on casing string weight in 9.2 ppg mud

**PROPOSED CEMENTING PROGRAM**

**Surface Casing (if well will circulate)-Cemented to surface**

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft <sup>3</sup> /sx)
8-5/8"	Lead	1516	Premium cement + 16% gel + 0.25 pps celloflake	138	25%	11.1	3.50
8-5/8"	Tail	500	Premium cement + 2% CaCl <sub>2</sub> + 0.25 pps celloflake	138	25%	15.8	1.15

A cement top job is required if cement fallback is greater than 10' below ground level. Top job (weight 15.8 ppg, yield 1.15 ft<sup>3</sup>/sx) cement will be premium cement w/ 3% CaCl<sub>2</sub>.+0.25 pps celloflake. Volume as required

**Surface Casing (if well will not circulate) - Cemented to surface**

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft <sup>3</sup> /sx)
8-5/8"	Lead	500	Premium cement + 2% CaCl <sub>2</sub> + 0.25 pps celloflake	138	25	15.8	1.15
8-5/8"	Top job	As req.	Premium cement + 3% CaCl <sub>2</sub> + 0.25 pps celloflake	As Req.		15.8	1.15

**Production Casing and Liner** - Cemented TD to 300' above base of surface casing

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft <sup>3</sup> /sx)
4-1/2"	Lead	178	Class "G" + 5% NaCl + 12% Gel + 0.25 pps celloflake + 0.2% antifoam + 0.25% fluid loss + 1% extender	18	25	11.0	3.3
4-1/2"	Tail	4406	50/50 POZ Class G + 2% gel +1% CaCl <sub>2</sub> + 0.2% dispersant + 0.2% fluid loss + 0.1% antifoam	804	25	14.3	1.56

Cement volumes for the 4-1/2" Production Casing will be calculated to provide a top of cement to 300' above base of surface casing. Cement volumes are approximate and were calculated under the assumption that a gauge hole will be achieved. Actual cement volumes may vary due to variations in the actual hole size and will be determined by running a caliper log on the drilled hole. Actual cement types may vary due to hole conditions and cement contractor used.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. **Drilling Fluids (mud) Program:**

Interval (MD)	Mud Weight	Fluid Loss	Viscosity	Mud Type
0' – 2016' (KB)		No cntrl		Air/mist
2000'-3000' (KB)	8.4-8.6	No cntrl	28-36	Water
3000'-6300' (KB)	8.8-9.8	8 - 10 ml	32-42	Water/Gel

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations.

6. **Evaluation Program:**

Tests: No tests are currently planned.

Coring: No cores are currently planned.

Samples: No sampling is currently planned.



Logging

- Dual Induction – SFL /Gamma Ray/Caliper/SP/TDLT/CNL/ML  
TD to Base Surface Casing
- Cement Bond Log / Gamma Ray:  
TD to Base of Surface Casing or Top of Cement if below Base of Surface Casing

Stimulation: A stimulation or frac treatment will be designed for completion of this well based on openhole log analysis. The drill site, as approved, will be sufficient size to accommodate all completion activities.

7. **Abnormal Conditions:**

No abnormal temperatures or pressures are anticipated. No H<sub>2</sub>S has been encountered or known to exist from previous wells drilled to similar depths in the general area.

Maximum anticipated bottom hole pressure equals approximately 3,276 psi (calculated at 0.52psi/foot of hole) and maximum anticipated surface pressure equals approximately 1,890 psi (anticipated bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot of hole).

8. **Anticipated Starting Dates:**

- Anticipated Commencement Date- Within one year of APD issue.
- Drilling Days- Approximately 10 days
- Completion Days - Approximately 10 days
- Anticipate location construction within 30 days of permit issue.

9. **Variances:**

None anticipated

10. **Other:**

A Cultural Resource Inventory and Paleontology reconnaissance shall be conducted for the well location, access route and pipeline. The reports shall be submitted to the Division of Oil, Gas and Mining and the School and Institutional Trust lands Administration upon their receipt.

Single Shot directional surveys will be dropped every 2000 feet to monitor hole angle.

Enduring Resources  
Bitter Creek 12-23-24-24  
Section 24, T12S, R23E, S.L.B.&M.

FROM THE INTERSECTION OF U.S. HIGHWAY 40 AND 500 EAST STREET IN VERNAL, UTAH PROCEED IN AN EASTERLY THEN SOUTHERLY DIRECTION ALONG U.S.S HIGHWAY 40 APPROXIMATELY 3.3 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 45 APPROXIMATELY 40.5 MILES TO THE JUNCTION OF THE DRAGON ROAD (COUNTY B ROAD 4180). THIS ROAD IS LOCATED APPROXIMATELY 4.8 MILES SOUTH OF BONANZA, UTAH. EXIT LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION ALONG COUNTY B ROAD 4180 APPROXIMATELY 4.0 MILES TO THE JUNCTION OF THE KINGS WELLS ROAD (COUNTY B ROAD 4190). EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG COUNTY B ROAD 4190 APPROXIMATELY 8.7 MILES TO THE JUNCTION OF THE ATCHEE RIDGE ROAD (COUNTY B ROAD 4270). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 4.3 MILES TO THE JUNCTION OF THE LONG DRAW ROAD (COUNTY B ROAD 4260). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHERLY, THEN WESTERLY DIRECTION APPROXIMATELY 4.0 MILES TO THE JUNCTION OF COUNTY B ROAD 4160. CONTINUE IN A SOUTHERLY DIRECTION ALONG COUNTY B ROAD 4190 APPROXIMATELY 1.8 MILES TO THE JUNCTION OF THE BIG PARK ROAD (COUNT B ROAD 4330). EXIT LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION ALONG COUNT B ROAD 4330 APPROXIMATELY 1.1 MILES TO THE JUNCTION OF A COUNTY D ROAD TO THE SOUTH. EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION ALONG THE COUNTY D ROAD APPROXIMATELY 0.7 MILES TO THE PORPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 295 FEET TO THE PROPOSED LOCATION.

TOAT DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 68.5 MILES IN A SOUTHEASTERLY DIRECTION.

**Enduring Resources, LLC  
Bitter Creek 12-23-24-24  
SE-SW 24-12S-23E  
Uintah County, Utah**

**Federal Lease: UTU-77530**

**MULTI-POINT SURFACE USE & OPERATIONS PLAN**

**1. Existing Roads:**

Directions to Bitter Creek 12-23-24-24

From the intersection of U.S. Highway 40 and 500 East Street in Vernal, Utah proceed in an easterly then southerly direction along U.S. highway 40 approximately 3.3 miles to the junction of State highway 45; exit right and proceed in a southerly direction along State Highway 45 approximately 40.5 miles to the junction of the Dragon Road (County B Road 4180). This road is located approximately 4.8 miles south of Bonanza, Utah. Exit left and proceed in a southeasterly direction along County B Road 4180 approximately 4.0 miles to the junction of the Kings Wells Road ( County B Road 4190). Exit right and proceed in a southwesterly direction along County B Road 4190 approximately 8.7 miles to the junction of the Atchee Ridge Road (County B Road 4270). Continue along County B Road 4190 in a southwesterly direction approximately 4.3 miles to the junction of the Long Draw Road (County B Road 4260). Continue along County B Road 4190 in a southerly, then westerly direction approximately 4.0 miles to the junction of County B Road 4160. Continue in a southerly direction along County B Road 4190 approximately 1.8 miles to the junction of the Big Park Road (County B Road 4330). Exit left and proceed in a southeasterly direction along County B Road 4330 approximately 1.1 miles to the junction of a County D Road to the south. Exit right and proceed in a southerly direction along the County D Road approximately 0.7 miles to the proposed access road. Follow road flags in a southwesterly direction approximately 295 feet to the proposed location.

**2. Planned Access Roads:**

The proposed access road will be approximately 85 feet of new construction. Please refer to Topo Map "B" for the takeoff point for the new ON-LEASE road construction.

Access will be using Big Park Road # 4330 into section 24 then on to the Copper Cutoff Road and then on to 85 feet of access road.

The proposed access road will be utilized to transport personnel, equipment and supplies to and from the proposed well site during drilling, completion and production operations. The road will be utilized year round.

The access road will be crowned 2% to 3%, ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet right-of-way. Maximum grade of road is 5% or less. Graveling or capping the roadbed will be performed as necessary to provided a well constructed, safe road. No fence crossings, culverts, turnouts, cattle guards or major cuts and fills are required. Prior to construction or

upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. **Location of Existing Wells within a One-Mile radius (See "Topo" Map "C" attached):**

The following wells are wells located within a one (1) mile ***or greater radius*** of the proposed location.

- |    |       |   |
|----|-------|---|
| a. | None: | Water Wells:  |
| b. | None: | Injection Wells:  |
| c. | None: | Producing Wells:  |
| d. | None: | Drilling Wells:   |
| e. | None: | Shut-in Wells:  |
| f. | None: | Temporarily Abandoned Wells:                                    |
| g. | None: | Disposal Wells:   |
| h. | (1):  | Abandoned Wells:  |
|    |       | i. E Bitter Creek Fed 23-24                                     |
| i. | None: | Dry Holes:  |
| j. | None: | Observation Wells:  |
| k. | (5):  | Pending (staked) Wells:   |
|    |       | i. Enduring Resources has five other staked wells in this area. |

**4. Location of Existing and/or Proposed Facilities:**

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks and/or heater treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank and be independent of the back cut.

All permanent (on site for six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earth tone color to match one of the standard environmental colors, as determined by the rocky Mountain Five State Inter-Agency Committee

All facilities will be painted within 6 months of installation. The color shall be Dark Olive Black. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Gas Gathering Pipeline:	ON-LEASE	3,940'	BLM
	OFF-LEASE	-0-	

If the well is capable of economic production, a surface gas gathering line and related equipment shall be installed. The surface gas gathering line shall be in use year round. A total of approximately less than 3,940 feet of surface gas gathering pipeline (4") shall be laid on the surface to minimize surface disturbance:

The proposed pipeline will begin at the well site; and tie-into another pipeline.

The meter run will be housed. The gas gathering line will be buried or anchored down from the wellhead to the meter.

Upon plugging and abandonment, the gas gathering line will be removed and the disturbed area will be re-contoured and restored as near as practical to the original condition. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

**5. Location and Type of Water Supply:**

Whenever practical, water will be obtained from Enduring Resources LLC Water Right Number 49-2215 or Water Right Number 49-2216 (\*See Townships of permitted Use below). If those sources are not available, a new water source shall be submitted prior to commencing operations. (These permits have one-year terms and then must be renewed)

\*Enduring Water Permits' Townships of Use:

T10S-R22E	T11S-R22E	T12S-R22E
T10S-R23E	T11S-R23E	<u>T12S-R23E</u>
T10S-R24E	T11S-R24E	T12S-R24E

Water will be hauled to the location over the roads marked on "Topo" Maps "A" and "B."

No water well is to be drilled on this lease.

## **6 Source of Construction Materials:**

Surface and subsoil materials in the immediate area will be utilized for location and access road construction.

Any gravel will be obtained from a commercial source; however, gravel sized rock debris associated with location and access road construction may be used as access road surfacing material.

## **7. Methods of Handling Waste Materials:**

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break or allow discharge of liquids.

The reserve pit will be lined with ¼ felt and a minimum of 16 mm plastic with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the will be disposed of in the pit.

A chemical portable toilet will be furnished with the drilling rig. The toilet will be replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Vernal Wastewater Treatment Facility in accordance with state and county regulations.

Garbage, trash and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well.

Produced oil will be stored in an oil tank and then hauled by truck to a crude purchaser facility. Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to an approved disposal site.

**8. Ancillary Facilities:**

During drilling operations, approximately 20 days, the site will be a manned camp. Three or four additional trailers will be on location to serve as the crews' housing and eating facilities. These will be located on the perimeter of the pad site within the topsoil stockpiles. Refer to Sheet 4.

**9. Well Site Layout: (Refer to Sheets #2, #3, and #4)**

The attached Location Layout Diagrams described drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s) and surface material stockpiles(s).

Please see the attached diagram for rig orientation and access roads.

The top soil will be windrowed rather than piled. It will be reseeded and track walker at the time the location is constructed. Seeding will be with the determined during the onsite. (Refer to "Seed Mixture for Windrowed Top Soil Will included:" following herein.

The top soil removed from the pit area will be store separately and will not be reseeded until the pit is reclaimed.

All pits shall be fence to the following minimum standards:

- a. 39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- b. The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches over the new wire. Total height of the fence shall be at least 42 inches.
- c. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- d. Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two fence posts shall be no greater than 16 feet.
- e. All wire shall be stretched by, using a stretching device, before it is attached to corner posts.

- f. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.
- g. Location size may change prior to drilling the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling, the location will be re-surveyed and a Form 9 will be submitted.

## 10. Plans for Surface Reclamation:

### **Producing Location:**

- a. Immediately upon well completion ***of the last well to be drilled from this pad***, the location and surrounding area will be cleared of all unused tubing, equipment, materials, trash and debris not required for production.
- b. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 40CFR 3162.7.
- c. Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.
- d. The reserve pit and that portion of the location not needed for production (***and drilling the other directional wells***) facilities/operations will be re-contoured to the approximated natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.
- e. To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface 3 feet above surrounding round surface to allow the reclaimed pit area to drain effectively.
- f. Upon completion of back filling, leveling and re-contouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

### **Dry Hole/Abandoned Location:**

- i. Abandoned well sites, roads and other disturbed areas will be restored as nearly as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions and re-establishment of vegetation as specified.
- ii. All disturbed surfaces will be re-contoured to the approximated natural contours with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

### **Seed Mixture for Windrowed Top Soil Will Included:**

Indian Rice Grass 4#/acre  
Crested Wheat Grass 4#/acre  
Needle and Thread 4#/acre



**Surface Ownership: Location, Access and Pipeline Route:**

Wellsite: Bureau of Land Management

Access: Bureau of Land Management

Pipeline: Bureau of Land Management

**11. Other Information****On-site Inspection for Location, Access and Pipeline Route:**

The on-site was conducted on June 14, 2006

Attending were:

1. Melissa Hawk BLM
2. Brandon McDonald BLM
3. Kolby Kay Timberline
4. Mike Stewart Ponderosa
- 5.

**Special Conditions of Approval:**

**None for this well(s).**

**Archeology:**

- a. A Cultural Resource Inventory Report is pending and to be prepared by Montgomery Archaeological Consultants.

**Paleontology:**

- b. A Paleontology Reconnaissance Report is pending and to be prepared by Intermountain Paleo-Consulting.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the Antiquities Act of June 8, 1906) are discovered, all operations which would affect such sites will be suspended and the discovery reported promptly to the surface management agency.

**13. Lessee's or Operator's Representatives:****Representatives:**

Alvin R. (Al) Arlian  
Landman – Regulatory Specialist  
Enduring Resources, LLC  
475 17<sup>th</sup> Street, Suite 1500  
Denver, Colorado 80202  
Office Tel: 303-350-5114  
Fax Tel: 303-573-0461  
[aarlian@enduringresources.com](mailto:aarlian@enduringresources.com)

Teme Singleton  
Vice President – Operations  
Enduring Resources, LLC  
475 17<sup>th</sup> Street, Suite 1500  
Denver, Colorado 80202  
Office Tel: 303-350-5711  
Fax Tel: 303-573-0461  
[tsingleton@enduringresources.com](mailto:tsingleton@enduringresources.com)

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his/her/its subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

A complete copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

The operator or his/her/its contractor shall contact the BLM office at (435) 781-4400 forty-eight (48) hours prior to construction activities.

The BLM Office shall be notified upon site completion ~~prior to moving on the drilling rig~~.

**Certification:**

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be preformed by Enduring Resources, LLC and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Please be advised that Enduring Resources, LLC is considered to be the operator of the Bitter Creek 12-23-24-24 Well; SE/4SW/4 (BHL) Section 24, Township 12 South, Range 23 East; Lease #:UTU-77530 Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by BLM Statewide Oil & Gas Lease Bond No. UTB000173 and State of Utah , Division of Oil, Gas & Mining Surety Bond No. RLB0008031

**ENDURING RESOURCES, LLC**



Alvin R. (Al) Arlian,  
Landman – Regulatory Specialist

June 21, 2006

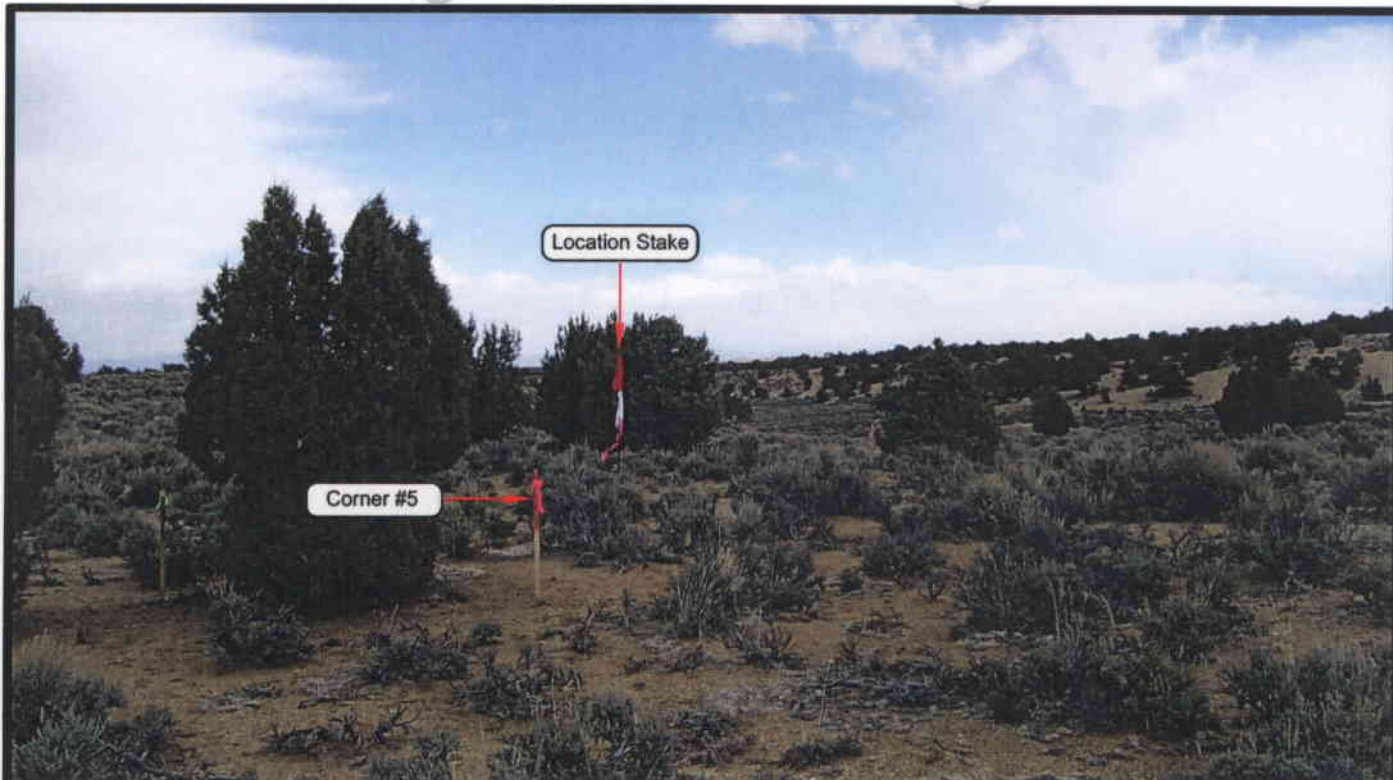


PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: SOUTHEASTERLY

## ENDURING RESOURCES

**Bitter Creek 12-23-24-24**  
**SECTION 24, T12S, R23E, S.L.B.&M.**

### LOCATION PHOTOS

TAKEN BY: K.R.K.

DRAWN BY: M.W.W.

DATE TAKEN: 04-04-06

DATE DRAWN: 04-07-06

REVISED:

**Timberline Land Surveying, Inc.**  
 38 West 100 North Vernal, Utah 84078  
 (435) 789-1365

**SHEET**  
**1**  
**OF 10**

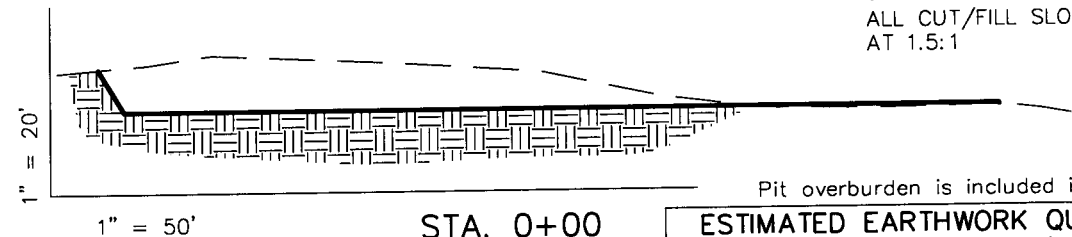
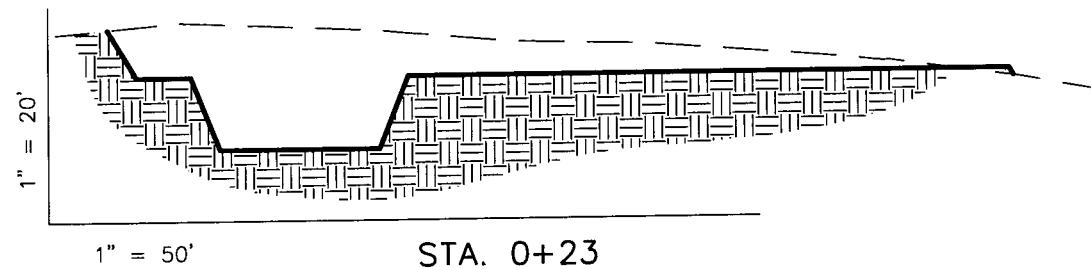
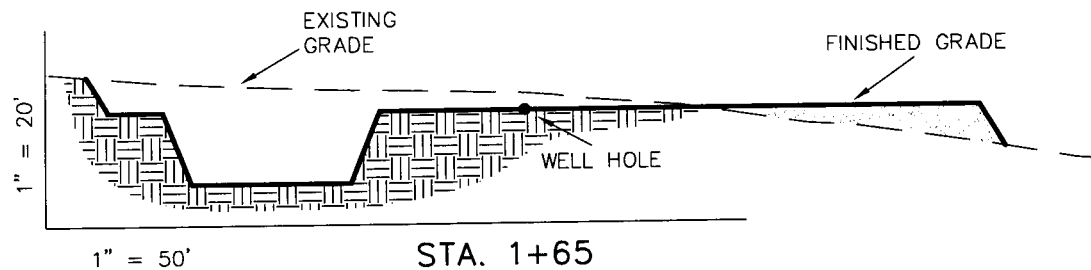
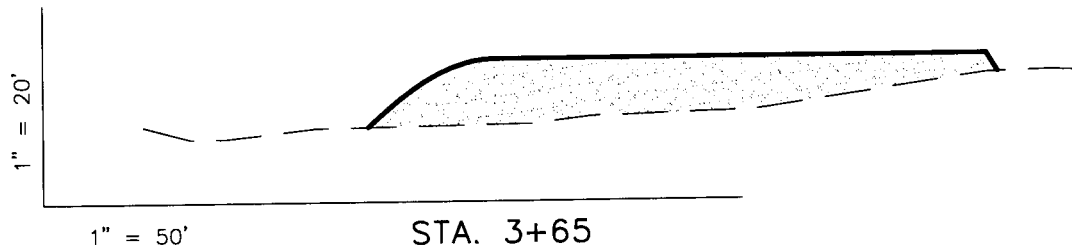
24  
PREVAILING WIND



Section 24, T12S, R23E, S.L.B.&M.		Qtr/Qtr Location: SE SW		Footage Location: 640' FSL & 1932' FWL	
Date Surveyed: 04-04-06	Date Drawn: 04-07-06	Date Last Revision:	<i>Timberline</i> (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078		SHEET 3 OF 10
Surveyed By: K.R.K.	Drawn By: M.W.W.	Scale: 1" = 50'			

# ENDURING RESOURCES

## CROSS SECTIONS - BITTER CREEK 12-23-24-24



NOTE:  
UNLESS OTHERWISE NOTED  
ALL CUT/FILL SLOPES ARE  
AT 1.5:1

Pit overburden is included in pad cut.

### REFERENCE POINTS

175' NORTHEASTERLY = 6306.0'  
225' NORTHEASTERLY = 6303.1'  
215' SOUTHEASTERLY = 6312.9'  
265' SOUTHEASTERLY = 6302.4'

### ESTIMATED EARTHWORK QUANTITIES (No shrink or swell adjustments have been used) (Expressed in Cubic Yards)

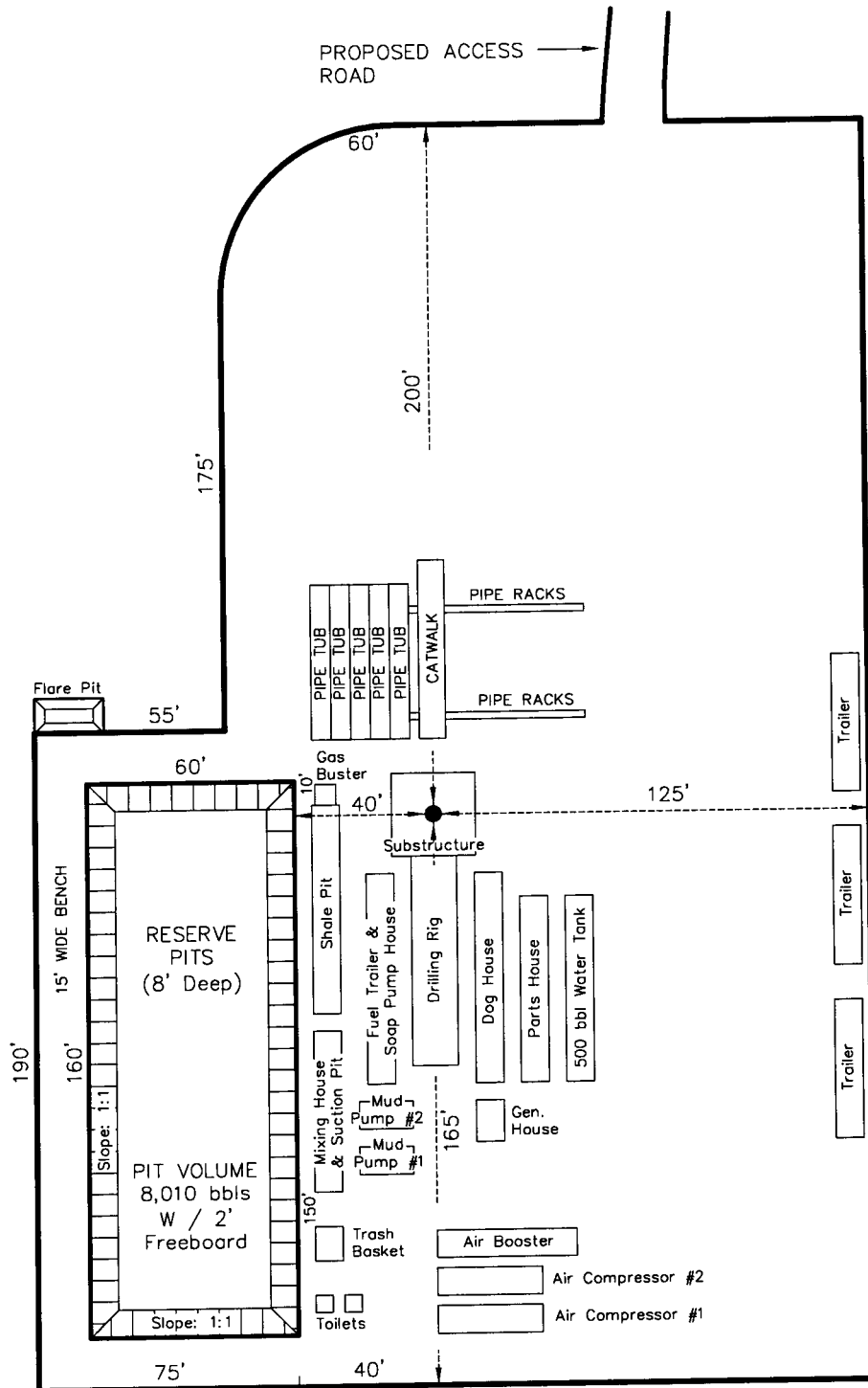
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	3,190	4,360	Topsoil is not included in Pad Cut	-1,170
PIT	2,340	0		2,340
TOTALS	5,530	4,360	1,440	1,170

Excess Material after Pit Rehabilitation = 0 Cu. Yds.

Section 24, T12S, R23E, S.L.B.&M.	Qtr/Qtr Location: SE SW	Footage Location: 640' FSL & 1932' FWL
Date Surveyed: 04-04-06	Date Drawn: 04-07-06	Date Last Revision:
Surveyed By: K.R.K.	Drawn By: M.W.W.	Scale: 1" = 50'
<b>Timberline</b> Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078 (435) 789-1365		
SHEET 4 OF 10		

# ENDURING RESOURCES

## TYPICAL RIG LAYOUT - BITTER CREEK 12-23-24-24



Section 24, T12S, R23E, S.L.B.&M.

Qtr/Qtr Location: SE SW

Footage Location: 640' FSL & 1932' FWL

Date Surveyed:  
04-04-06

Date Drawn:  
04-07-06

Date Last Revision:

Surveyed By: K.R.K.

Drawn By: M.W.W.

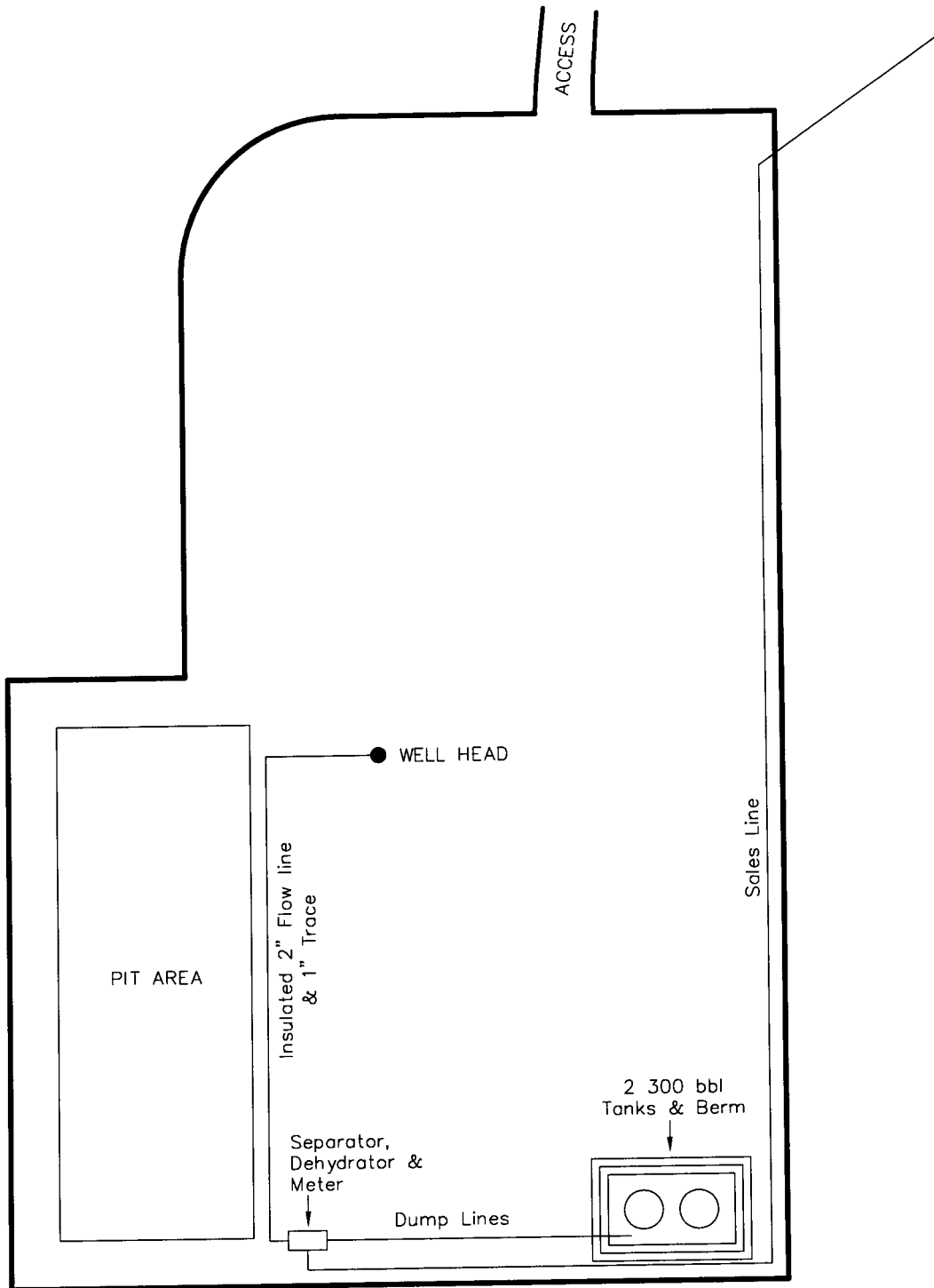
Scale: 1" = 50'

**Timberline**  
Land Surveying, Inc.  
38 WEST 100 NORTH VERNAL, UTAH 84078  
(435) 789-1365

SHEET  
5  
OF 10

# ENDURING RESOURCES

TYPICAL PRODUCTION LAYOUT - BITTER CREEK 12-23-24-24



Section 24, T12S, R23E, S.L.B.&M.		Qtr/Qtr Location: SE SW	Footage Location: 640' FSL & 1932' FWL
Date Surveyed: 04-04-06	Date Drawn: 04-07-06	Date Last Revision:	<b>Timberline</b> (435) 789-1365
Surveyed By: K.R.K.	Drawn By: M.W.W.	Scale: 1" = 50'	<b>Land Surveying, Inc.</b>
38 WEST 100 NORTH VERNAL, UTAH 84078			<b>SHEET 6 OF 10</b>





#### LEGEND

- PROPOSED ACCESS ROAD  
 --- = SUBJECT WELL  
 --- = OTHER WELLS  
 --- = EXISTING ROAD  
 --- = EXISTING ROAD (TO BE IMPROVED)

B-5460 = COUNTY ROAD CLASS & NUMBER

#### TOPOGRAPHIC MAP "A"

SCALE: 1:100,000

DRAWN BY: M.W.W.

DATE SURVEYED: 04-04-06

DATE DRAWN: 04-07-06

REVISED:

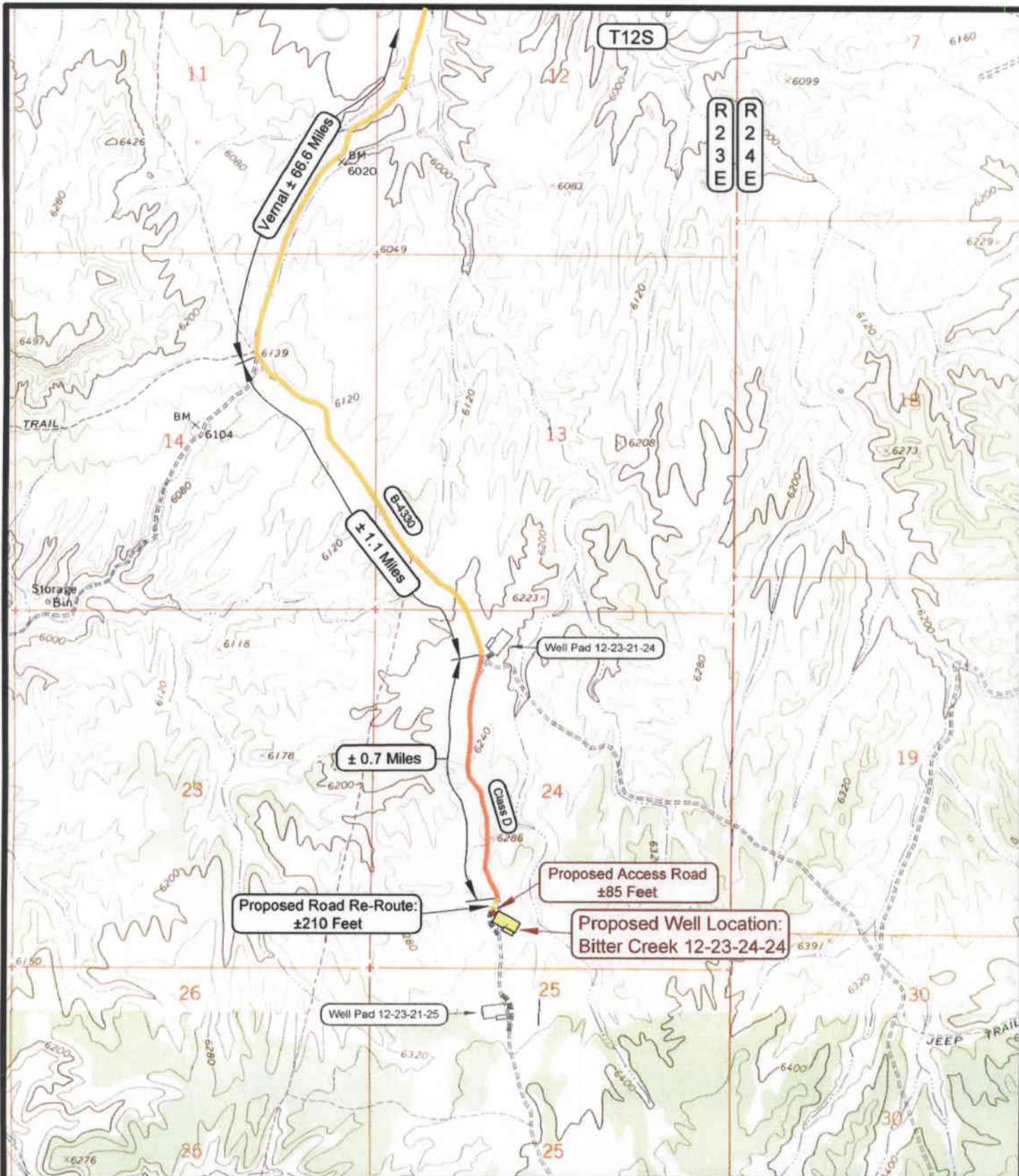
#### ENDURING RESOURCES

**Bitter Creek 12-23-24-24**  
**SECTION 24, T12S, R23E, S.L.B.&M.**

**Timberline Land Surveying, Inc.**  
 38 West 100 North Vernal, Utah 84078  
 (435) 789-1365

**SHEET**  
**7**  
**OF 10**





#### LEGEND

- PROPOSED ACCESS ROAD  
 - - - - - = SUBJECT WELL  
 = = = = = = = OTHER WELLS  
 - - - - - = EXISTING ROAD  
 - - - - - = EXISTING ROAD (TO BE IMPROVED)  
 (B-5460) = COUNTY ROAD CLASS & NUMBER  
 - - - - - = LEASE LINE AND / OR PROPERTY LINE

#### TOPOGRAPHIC MAP "B"

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

DATE SURVEYED: 04-04-06

DATE DRAWN: 04-07-06

REVISED:

#### ENDURING RESOURCES

#### Bitter Creek 12-23-24-24 SECTION 24, T12S, R23E, S.L.B.&M.

Timberline Land Surveying, Inc.

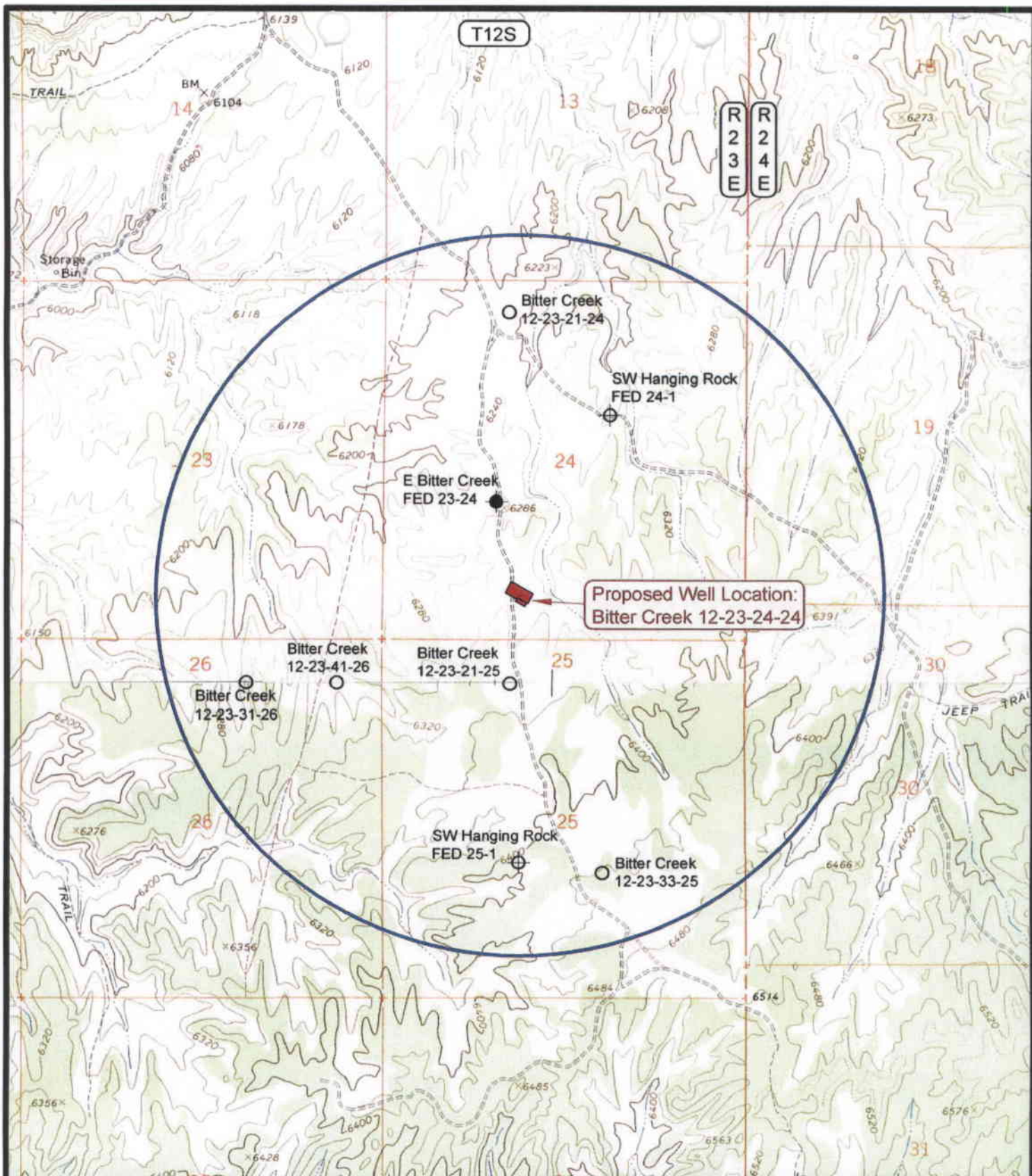
38 West 100 North Vernal, Utah 84078  
(435) 789-1365

SHEET

8

OF 10





#### LEGEND

- |                    |                                |
|--------------------|--------------------------------|
| ⊗ = DISPOSAL WELL  | ⊗ = WATER WELL                 |
| ● = PRODUCING WELL | ● = ABANDONED WELL             |
| ● = SHUT IN WELL   | ● = TEMPORARILY ABANDONED WELL |
| ○ = PROPOSED WELL  | ⊕ = ABANDONED LOCATION         |

TOPOGRAPHIC MAP "C"

DATE SURVEYED: 04-04-06

DATE DRAWN: 04-07-06

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

REVISED:

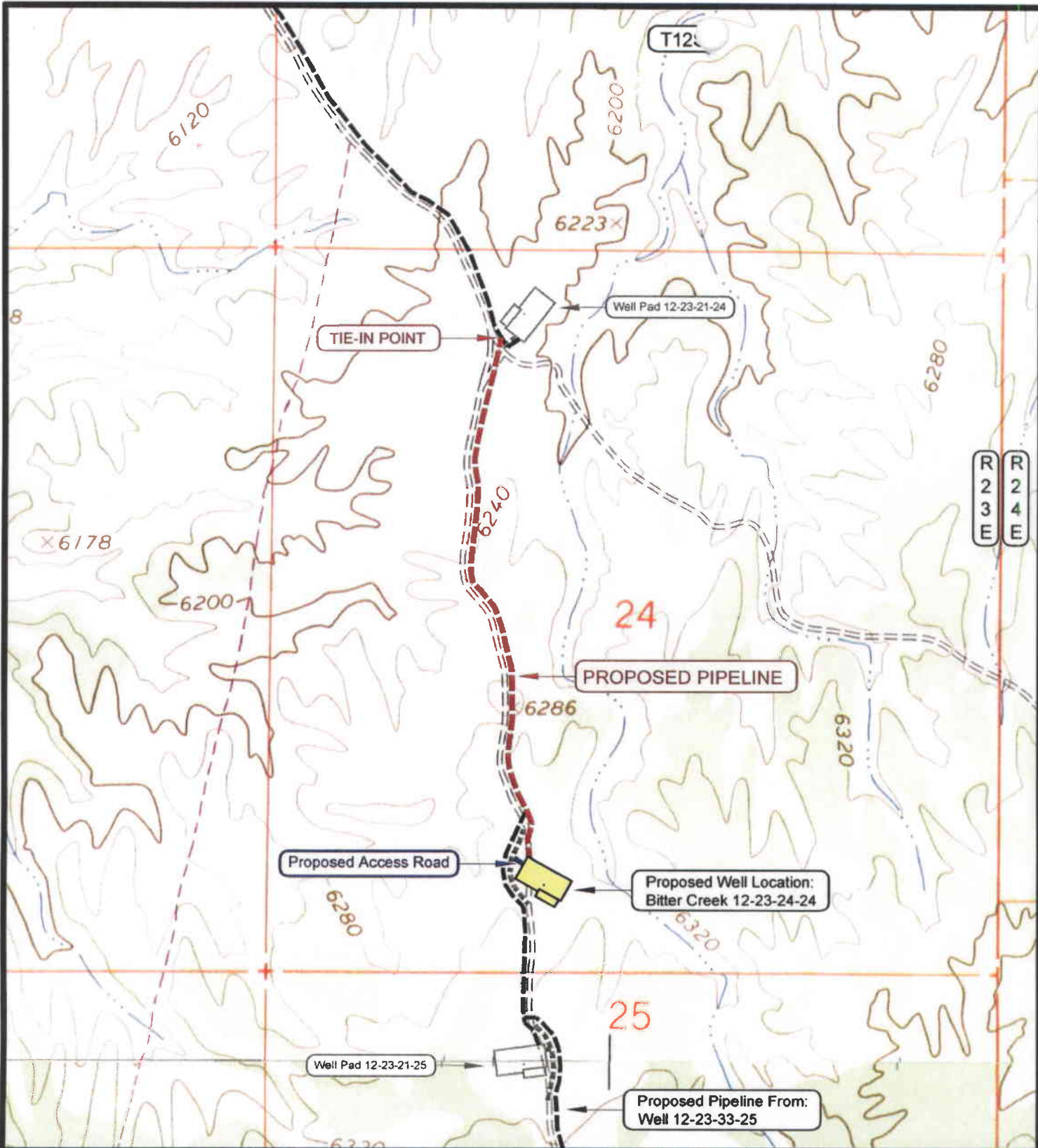
#### ENDURING RESOURCES

**Bitter Creek 12-23-24-24**  
**SECTION 24, T12S, R23E, S.L.B.&M.**

**Timberline Land Surveying, Inc.**  
 38 West 100 North Vernal, Utah 84078  
 (435) 789-1365

**SHEET**  
**9**  
**OF 10**





**APPROXIMATE PIPELINE LENGTH = 3,940 Feet**

#### LEGEND

- = PROPOSED PIPELINE
- = OTHER PIPELINE
- = PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = LEASE LINE AND / OR PROPERTY LINE

#### TOPOGRAPHIC MAP "D"

SCALE: 1" = 1000'

DRAWN BY: M.W.W.

DATE SURVEYED: 04-04-06

DATE DRAWN: 04-07-06

REVISED:

#### ENDURING RESOURCES

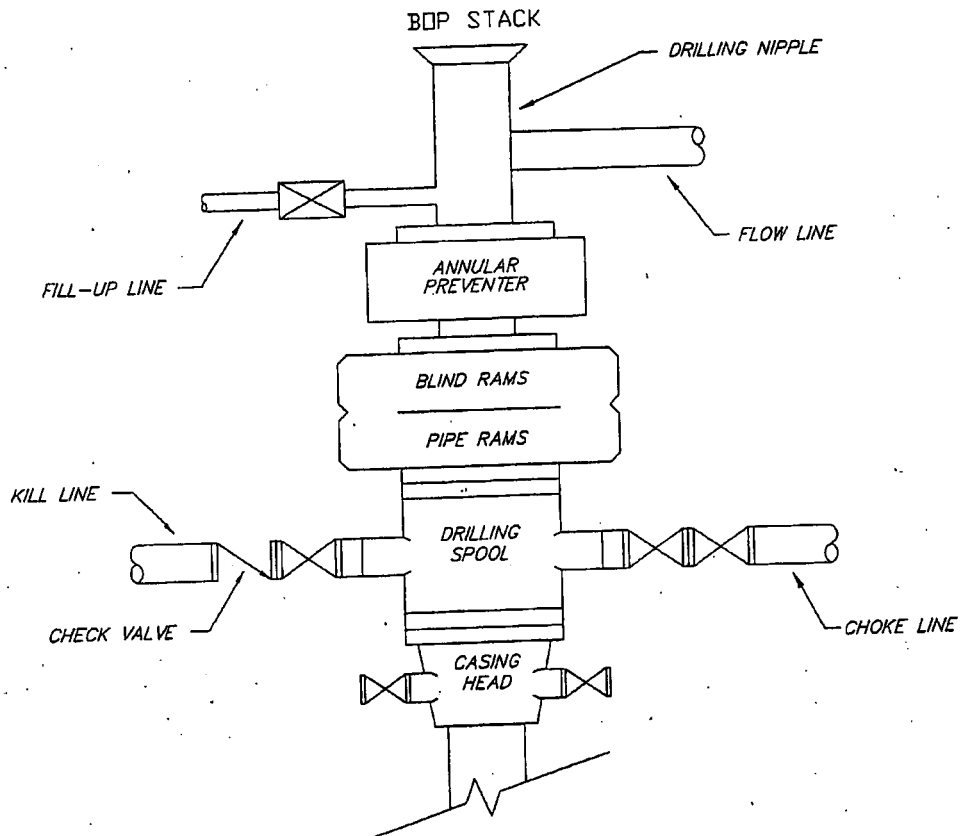
**Bitter Creek 12-23-24-24**  
**SECTION 24, T12S, R23E, S.L.B.&M.**

**Timberline Land Surveying, Inc.**  
 38 West 100 North Vernal, Utah 84078  
 (435) 789-1365

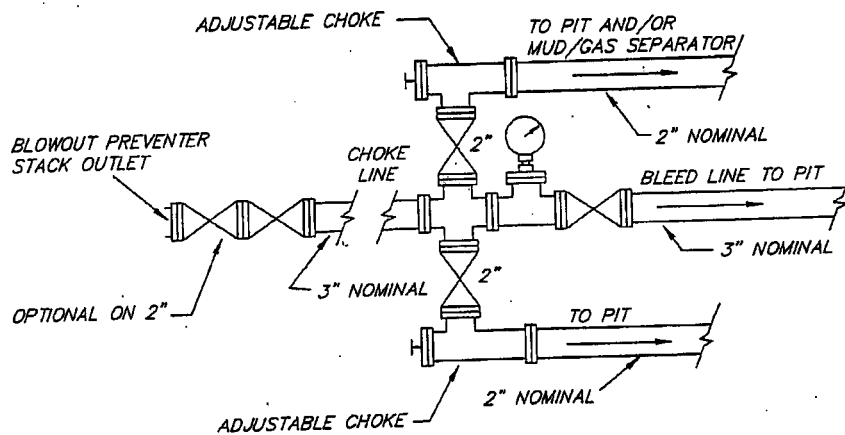
**SHEET**  
**10**  
**OF 10**

# ENDURING RESOURCES, LLC

## TYPICAL 3,000 p.s.i. BLOWOUT PREVENTER SCHEMATIC



## TYPICAL 3,000 p.s.i. CHOKE MANIFOLD SCHEMATIC



**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/26/2006

API NO. ASSIGNED: 43-047-38334

WELL NAME: BITTER CREEK 12-23-24-24

OPERATOR: ENDURING RESOURCES, LLC ( N2750 )

PHONE NUMBER: 303-350-5114

CONTACT: AL ARLIAN

PROPOSED LOCATION:

SESW 24 120S 230E

SURFACE: 0640 FSL 1932 FWL

BOTTOM: 0640 FSL 1932 FWL

COUNTY: UINTAH

LATITUDE: 39.75355 LONGITUDE: -110.2936

UTM SURF EASTINGS: 646188 NORTHINGS: 4401587

FIELD NAME: WILDCAT ( 1 )

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-77530

PROPOSED FORMATION: MVRD

SURFACE OWNER: 1 - Federal

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat  
☒ Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. RLB0008031 )  
☒ Potash (Y/N)  
☒ Oil Shale 190-5 (B) or 190-3 or 190-13  
☒ Water Permit  
(No. 49-2215 )  
☒ RDCC Review (Y/N)  
(Date: )  
☒ Fee Surf Agreement (Y/N)  
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

☐ R649-2-3.  
Unit: \_\_\_\_\_  
☒ R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells  
☐ R649-3-3. Exception  
☐ Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_  
☐ R649-3-11. Directional Drill

COMMENTS: \_\_\_\_\_

STIPULATIONS: 1- Federal Approval

2- Spacing Strip

# OIL SPRINGS FIELD

T12S R23E

T12S R24E

23  
SW HANGING  
ROCK FED 23-1

SW HANGING  
ROCK FED 24-1

24  
E BITTER CREEK  
FED 23-24

BITTER CREEK  
12-23-24-24

26

25  
SW HANGING  
ROCK FED 25-1

BITTER CREEK  
12-23-33-25

BITTER CREEK  
12-23-11-36

OPERATOR: ENDURING RES LLC (N2750)

SEC: 24,25 T. 12S R. 23E

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

## Field Status

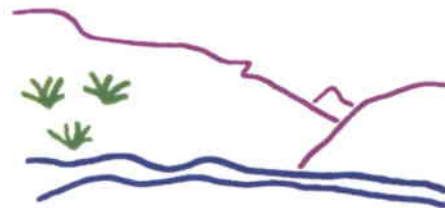
- ☒ ABANDONED
- ☒ ACTIVE
- ☒ COMBINED
- ☒ INACTIVE
- ☒ PROPOSED
- ☒ STORAGE
- ☒ TERMINATED

## Unit Status

- ☒ EXPLORATORY
- ☒ GAS STORAGE
- ☒ NF PP OIL
- ☒ NF SECONDARY
- ☒ PENDING
- ☒ PI OIL
- ☒ PP GAS
- ☒ PP GEOTHERML
- ☒ PP OIL
- ☒ SECONDARY
- ☒ TERMINATED

## Wells Status

- ☒ GAS INJECTION
- ☒ GAS STORAGE
- ☒ LOCATION ABANDONED
- ☒ NEW LOCATION
- ☒ PLUGGED & ABANDONED
- ☒ PRODUCING GAS
- ☒ PRODUCING OIL
- ☒ SHUT-IN GAS
- ☒ SHUT-IN OIL
- ☒ TEMP. ABANDONED
- ☒ TEST WELL
- ☒ WATER INJECTION
- ☒ WATER SUPPLY
- ☒ WATER DISPOSAL
- ☒ DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
DATE: 27-JUNE-2006



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

June 29, 2006

Enduring Resources, LLC  
475 17th St., Ste. 1500  
Denver, CO 80202

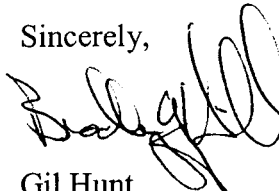
Re: Bitter Creek 12-23-24-24 Well, 640' FSL, 1932' FWL, SE SW, Sec. 24,  
T. 12 South, R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38334.

Sincerely,

  
for Gil Hunt  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor  
Bureau of Land Management, Vernal District Office

**Operator:** Enduring Resources, LLC  
**Well Name & Number** Bitter Creek 12-23-24-24  
**API Number:** 43-047-38334  
**Lease:** UTU-77530

**Location:** SE SW                      **Sec.** 24                      **T.** 12 South                      **R.** 23 East

### **Conditions of Approval**

**1. General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

**2. Notification Requirements**

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

**3. Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

**4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.**

**5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.**



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77530
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: n/a
PHONE NUMBER: (303) 350-5719		8. WELL NAME and NUMBER: Bitter Creek 12-23-24-24
4. LOCATION OF WELL FOOTAGES AT SURFACE: 640' FSL - 1932' FWL		9. API NUMBER: 4304738334
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 24 12S 23E S		10. FIELD AND POOL, OR WILDCAT: Undesignated
COUNTY: Uintah		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____  <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: Request for APD Extension

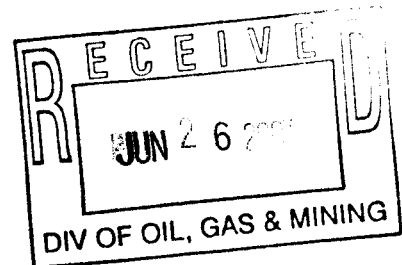
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill ....

FROM: 6-29-2007  
TO: 6-29-2008

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 6-28-07  
By: [Signature]



NAME (PLEASE PRINT) Evette Bissett TITLE Regulatory Affairs Assistant  
SIGNATURE [Signature] DATE 6/25/2007

(This space for State use only)

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 4304738334  
**Well Name:** Bitter Creek 12-23-24-24  
**Location:** 640' FSL - 1932' FWL, SESW, Sec 24, T12S-R23E  
**Company Permit Issued to:** Enduring Resources, LLC  
**Date Original Permit Issued:** 6/29/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

*Lucretia Bissett*  
Signature

6/25/2007  
Date

**Title:** Regulatory Affairs Assistant

**Representing:** Enduring Resources, LLC

RECEIVED

JUN 26 2006

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-77530
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Enduring Resources, LLC		7. If Unit or CA Agreement, Name and No. N/A
3a. Address. 475 17th Street, Suite 1500 Denver, CO 80202		8. Lease Name and Well No. Bitter Creek 12-23-24-24
3b. Phone No. (include area code) 303-350-5114		9. API Well No. K3-OK7-38334
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface SESW 640' FSL 1932' FWL At proposed prod. zone Same as surface		10. Field and Pool, or Exploratory
14. Distance in miles and direction from nearest town or post office* 68.4 miles South of Vernal, UT		11. Sec., T. R. M.- or Blk. and Survey or Area Sec 24 T12S R23E S.L.B.&M.
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 640'	16. No. of acres in lease 640	17. Spacing Unit dedicated to this well 40 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1000' +	19. Proposed Depth 6300'	20. BLM/BIA Bond No. on file BLM - UTB000173
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6329' RT-KB	22. Approximate date work will start* 08/01/2006	23. Estimated duration 20 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Alvin R. (Al) Arlian	Date 06/20/2006
Title Landman - Regulatory Specialist		

Approved by (Signature) 	Name (Printed/Typed) J. Kewick	Date 2-7-2008
Title Assistant Field Manager Lands & Mineral Resources		Office VERNAL FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

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FEB 14 2008

DIV. OF OIL, GAS & MINING

NOTICE OF APPROVAL

No 5 Rec 5-1-06  
06BM2178A

CONDITIONS OF APPROVAL ATTACHED



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



**CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL**

Company: Enduring Resources, LLC  
Well No: Bitter Creek 12-23-24-24  
API No: 43-047- 38334

Location: SESW, Sec. 24, T12S, R23E  
Lease No: UTU- 77530  
Agreement: N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
NRS/Enviro Scientist:	Paul Buhler	(435) 781-4475	(435) 828-4029
NRS/Enviro Scientist:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	
NRS/Enviro Scientist:		(435) 781-4476	
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Jannice Cutler	(435) 781-3400	(435) 828-3544
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545

Fax: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR  
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

**NOTIFICATION REQUIREMENTS**

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

**SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL (COAs)**

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

**Site Specific Conditions of Approval**

This well is located within the Resource Development Group (RDG) EIS project boundary, any **additional mitigation or COA's approved in the Final RDG EIS Record of Decision are also applicable to approval of this proposed action.**

**Stipulations**

1. The lessee/operator is given notice that the area has been identified as containing crucial deer winter range. Winter usage of the range may occur from November 1 through March 31. Modifications including seasonal restrictions may be required to the Surface Use Plan of Operations in order to protect the winter range. This does not apply to operation and maintenance of producing wells. This notice may be waived, excepted, or modified by the authorized officer if either the resource values change or the lessee/operator demonstrates that adverse impacts can be mitigated.

**Comments:**

1. The proposed project area is within crucial deer habitat.
2. There are no nests observed in the area.
3. There are no wildlife water development structures within 200 meters of the proposed project.
4. If it is anticipated that construction or drilling will occur during the given timing restrictions for any wildlife, a BLM or qualified biologist should be notified so surveys can be conducted. Depending upon the results of the survey, permission to proceed may or may not be recommended or granted (depending on the species being surveyed and the condition of the habitat).

**Mitigation**

- **Threatened and Endangered Fish Mitigation for Water Supply**
  1. The best method to avoid entrainment is to pump from an off-channel location – one that does not connect to the river during high spring flows. An infiltration gallery constructed in a BLM and Service approved location is best.
  2. If the pump head is located in the river channel where larval fish are known to occur, the following measures apply:
    - a. do not situate the pump in a low-flow or no-flow area as these habitats tend to concentrate larval fishes;
    - b. limit the amount of pumping, to the greatest extent possible, during that period of the year when larval fish may be present (see above); and

- c. limit the amount of pumping, to the greatest extent possible, during the pre-dawn hours as larval drift studies indicate that this is a period of greatest daily activity.
3. Screen all pump intakes with ¼" mesh material.
4. Report any fish impinged on the intake screen to the Service (801.975.3330) and the Utah Division of Wildlife Resources:

**Northeastern Region**

152 East 100 North, Vernal, UT 84078

Phone: (435) 781-9453

- The proposed project area is within crucial deer habitat; therefore **no drilling of wells or construction will be allowed from November 1 through March 31**, that will apply to this location as stated in the lease notice.
- This project is within the RDG EIS area and is also within big game wintering habitat. If the proposed work results in a loss of big sagebrush habitat this loss will need to be mitigated by the operator contributing to a habitat improvement project. The compensation requires 1.5 acres of habitat improvement to each acre of big sagebrush habitat disturbed. Contact the AO for specific on-site or off-site mitigation projects.
- Prior to water disposal, submit Sundry Notice Form 3160-5 specifying Approved Water Disposal facilities to be used in conjunction with Proposed Action.
- If Uinta Basin hookless cactus, White River beardtongue, Graham's beardtongue or other special status plants are found, construction shall cease and the AO shall be notified to determine the appropriate mitigation.
- The operator shall control noxious weeds along access road use authorizations, pipeline route authorizations, rights-of-way, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious weeds may be obtained from the BLM weeds specialist or the appropriate County Extension Office. On BLM administered land, it is required that a Pesticide Use Proposal (PUP) be submitted and approved prior to the application of herbicides, pesticides or possibly hazardous chemicals.
- All traffic related to this action shall be restricted to approved routes. Cross-country vehicle travel will not be allowed.
- No vehicle travel, construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support vehicles and/or construction equipment. If such equipment creates ruts in excess of four inches deep, the soil shall be deemed too wet to adequately support construction equipment.
- The authorized officer may prohibit surface disturbing activities during severe winter, wet, or muddy conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
- The access road shall be crowned and ditched. Flat-bladed roads are not allowed.
- If additional erosion occurs during the life of this project, more culverts, low water crossings, berms, wing ditches or etc. shall be needed to control the erosion. Low-water crossings shall

be appropriately constructed to avoid sedimentation of drainage ways and other water resources.

- Pipelines shall be buried at all major drainage crossings.
- Prevent fill and stock piles from entering drainages.
- The reserve pit shall be lined with **16 ml** or greater liner to prevent pit leakage and at least **one felt liner (double felt as need to prevent pit leakage)** prior to spudding.
- All open pits shall be properly fenced and maintained during operations and until the pits are backfilled. When the reserve pit contains fluids or toxic substances, the operator must ensure that animals do not ingest or become entrapped in pit fluids.
- The reserve pit shall be free of oil and other liquids and solid wastes, allowed to dry, be pumped dry, or solidified in-situ prior to backfilling. The reserve pit must not be "squeezed", (filled with soil while still containing fluids) or cut (puncturing the pit liner while still containing fluids to allow pit fluids to drain from the pit).
- The pit liner is to be cut 5 feet below ground surface or at the level of the cuttings, whichever is deeper, and the excess liner material is to be disposed of at an authorized disposal site.
- All permanent facilities, not regulated by OSHA, shall be painted the same color, **Olive Black (5WA20-6)**; within six months of installation.
- During construction the topsoil from the location shall be stripped and windrowed separately from the other excess material. The topsoil windrows shall be re-seeded using the interim seed mix and track walked or drag chained at the time the location is constructed. The topsoil removed from the pit area shall be stored separately and will not be re-seeded until the pit is reclaimed. When the reserve pit is closed, it shall be re-contoured and the topsoil re-spread, and the area shall be seeded using the interim seed mix listed below.
- All boulders with a length or diameter greater than 3 feet, that are found showing at the surface, shall be stockpiled for use during final reclamation.
- Trees and woody debris must be removed from the site and piled separately off site and saved for final reclamation. During final reclamation the trees and woody debris will be loped and scattered over the recontoured and seeded areas, and spread evenly across the site. Trees and woody debris will not account for more than 20% of the total surface area of the site.
- Upon well completion, the well pad location up to the deadmen, shall be recontoured to the approximate natural contours and the stockpiled topsoil shall be spread evenly over the reclaimed area and then re-seeded using the interim seed mix.
- Reclamation:

Interim seed mix:

Hy-crest Crested Wheatgrass	<i>Agropyron cristatum</i>	4 lbs/acre
Squirreltail grass	<i>Elymus elymoides</i>	4 lbs/acre
Western Wheatgrass	<i>Agropyron smithii</i>	4 lbs/acre
Wyoming Big Sagebrush	<i>Artemisia tridentata var. wyomingensis</i>	½ lbs/acre

Final reclamation seed mix:

Hy-crest Crested Wheatgrass	<i>Agropyron cristatum</i>	4 lbs/acre
Squirreltail grass	<i>Elymus elymoides</i>	4 lbs/acre
Western Wheatgrass	<i>Agropyron smithii</i>	4 lbs/acre
Wyoming Big Sagebrush	<i>Artemisia tridentata</i> var. <i>wyomingensis</i>	½ lbs/acre

- All pounds are in pure live seed.
  - All seed and mulch shall be certified weed free.
  - Drill seeding is the preferred method.
  - Rates are set for drill seeding; double the rate if broadcasting.
  - If broadcasting seed: The seed shall be walked into the soil with a dozer immediately after the seeding is completed, or covered by soil using a drag chain.
  - Reseeding shall be required if initial seeding is not successful.
- Once the location is plugged and abandoned, the well location and access road shall be recontoured to the natural topography, topsoil shall be respread, and the entire location and access road shall be seeded with the final reclamation seed mix. Seed application shall follow all guidelines in the final reclamation seed mix bullet statement above. If reclamation seeding should take place using the broadcast method, the seed at a minimum shall be walked into the soil with a dozer, immediately after the seeding is completed, or covered by soil using a drag chain.



**DOWNHOLE PROGRAM  
CONDITIONS OF APPROVAL (COAs)**

**SITE SPECIFIC DOWNHOLE COAs:**

- A casing shoe integrity test shall be run on the surface casing shoe.
- For surface casing cementing program, stage Top Out or Top Job is to bring cement to surface. Note that stage TopOut is to bring cement to surface.
- Production casing cement shall be brought up and into the surface casing. The minimum cement top is 300 ft above the surface casing shoe.
- COA specification is consistent with operators performance standard stated in APD.
- A cement Bond Log (CBL) shall be run from the production casing shoe to the surface casing shoe. A field copy of the CBL shall be submitted to the BLM Vernal Field Office.

**All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to.** The following items are emphasized:

**DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT\_VN\_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

## OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - Operator name, address, and telephone number.
  - Well name and number.
  - Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - Date well was placed in a producing status (date of first production for which royalty will be paid).
  - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - Unit agreement and/or participating area name and number, if applicable.
  - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77530
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: n/a
PHONE NUMBER: (303) 350-5719		8. WELL NAME and NUMBER: Bitter Creek 12-23-24-24
4. LOCATION OF WELL FOOTAGES AT SURFACE: 640' FSL - 1932' FWL		9. API NUMBER: 4304738334
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 24 12S 23E S		10. FIELD AND POOL, OR WILDCAT: Undesignated
COUNTY: Uintah		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Request for APD Extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill ....

FROM: 6/28/2008  
TO: 6/28/2009

Approved by the  
Utah Division of  
Oil, Gas and Mining

COPY SENT TO OPERATOR

Date: 7.7.2008

Initials: KS

Date: 07-01-08  
By: [Signature]

NAME (PLEASE PRINT) Alvin R. (Al) Arlian TITLE Landman  
SIGNATURE [Signature] DATE 6/1/2008

(This space for State use only)

RECEIVED  
JUN 27 2008  
DIV. OF OIL, GAS & MINING



**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 4304738334  
**Well Name:** Bitter Creek 12-23-24-24  
**Location:** 640' FSL - 1932' FWL, SESW, Sec 24, T12S-R23E  
**Company Permit Issued to:** Enduring Resources, LLC  
**Date Original Permit Issued:** 6/29/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

  
\_\_\_\_\_  
Signature

6/1/2008

\_\_\_\_\_  
Date

Title: Landman

Representing: Enduring Resources, LLC

**RECEIVED**  
**JUN 27 2008**  
DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

June 16, 2009

Al Arlian  
Enduring Resources LLC  
475 17<sup>th</sup> Street, Suite 1500  
Denver, CO 80202

43 047 38 334  
Bitter Creek 12.23.24.24  
12S 23E 24

Re: APD Rescinded at the request of Enduring Resources, LLC.  
Uintah County


Dear Mr. Arlian:

Enclosed find the list of APDs that you requested to be rescinded to Enduring Resources, LLC. No drilling activities at these locations have been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective June 16, 2009.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Vernal  
SITLA, Ed Bonner





Bonanza 9-23-22-11	43-047-36646 (Federal)
Bonanza 9-23-32-11	43-047-36647 (Federal)
Bonanza 9-23-23-12	43-047-36655 (Federal)
Buck Camp 12-22-33-2	43-047-37915 (State)
Bitter Creek 12-23-24-24	43-047-38334 (Federal)
Bitter Creek 12-23-21-24	43-047-38356 (Federal)
Southam Canyon 10-25-22-19	43-047-36718 (Federal)
Southam Canyon 10-24-24-12	43-047-36789 (Federal)